

Qualicorp S.A.

1Q13 Earnings Release



Qualicorp S.A. BOVESPA:QUAL3

Last Price
May, 15th, 2013
R\$ 18.90/share

Shares Outstanding (03/31/2013)

264.115.480 shares

Free Float (03/31/2013)

196.052.194 shares (72,45%)

Cash and Cash Equivalents (03/31/2013)

R\$ 146.9 million

Investor Relations

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Conference Calls

May, 16th 2013 (Thursday)

Portuguese

Time: 9am ET / 10am Brasilia
Phone: +55 11 2188 0155
Code: Qualicorp

English

Time: 11am ET / 12pm Brasilia
Phone: +1 412 317 6776
Code: Qualicorp

Sao Paulo, May 15th, 2013. Qualicorp S.A (BM&FBOVESPA: QUAL3), one of the leading full-service healthcare benefits administrator and health management services provider in Brazil, announced its consolidated 1Q13 results. The operating and financial data are presented on a consolidated basis in Reais ("BRL" or "R\$"), in accordance with Corporate Law and regulations of "Comissão de Valores Mobiliários" – CVM.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

- ✓ Our total portfolio of beneficiaries of 4.4 million lives, including Affinity, Corporate and Other Segments grew 13,4% y/y in 1Q13, as follow:
 - Our portfolio of beneficiaries in the Affinity segment grew 25.2% y/y in 1Q13 to 1.8 million lives, being +28.8% y/y for the health portfolio;
 - Our portfolio of beneficiaries in the Corporate and Others Segment grew 6.8% y/y in 1Q13 to approximately 2,7 million lives;
- ✓ Our total consolidated Net Revenues grew 34.4% y/y in 1Q13 q/q and 2.9% q/q, reaching R\$ 266.8 million;
- ✓ Our consolidated Adjusted EBITDA was R\$ 93.4 million, which represents a 39.3% y/y growth in 1Q13 and 10.3% q/q.
- ✓ Our adjusted earnings was R\$ 16.3 million, which represents a 7.4% y/y growth and 105.6% q/q in 1Q13.

MAIN INDICATORS

Income Statement (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Net Revenues	266.8	198.5	34.4%	259.2	2.9%
Total Expenses	(231.1)	(179.5)	28.7%	(249.3)	-7.3%
Adjustments ¹	6.9	4.8	41.9%	25.4	-73.0%
Adjusted Total Expenses	(224.2)	(174.7)	28.4%	(223.9)	0.1%
Adjusted EBITDA	93.4	67.1	39.3%	84.7	10.3%
Adjusted EBITDA Margin	35.0%	33.8%	123bps	32.7%	235bps
Adjusted earnings*	16.3	15.1	7.4%	7.9	105.6%

Balance Sheet	1Q13	2012	% change 1Q13/2012
Equity	2.012.4	1.992.2	1.0%
Net Debt ²	420.0	447.6	-6.2%

Other	1Q13	2012	% change 1Q13/2012
Net Debt / Equity	0.21x	0.22x	N.A.
Net Debt / Adjusted EBITDA LTM	1.32x	1.78x	N.A.

- (1) Adjustments include stock option plan expenses with non-cash effect, IPO expenses and acquisitions expenses, write-off of tax credit and impairment.
- (2) Includes acquisition payables recognized as "other payables". It does not include the investment made as a guarantee asset in the direct subsidiary Qualicorp Administradora de Benefícios S.A., and in the indirect the subsidiaries Padrão Administradora de Benefícios Ltda. and Aliança Administradora de Benefícios de Saúde S.A according to the 33rd normative instruction by the ANS, from October 5, 2009.

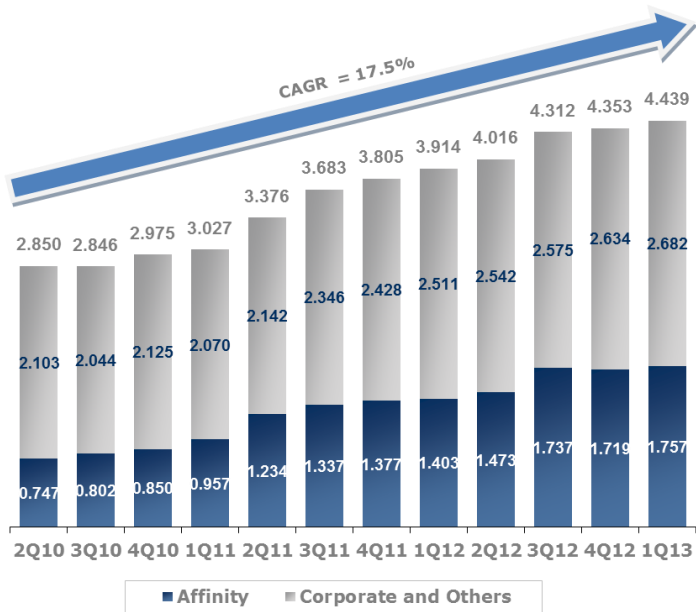
* Our adjusted earnings considers the adjustment of item (1) and non-recurring financial revenue.

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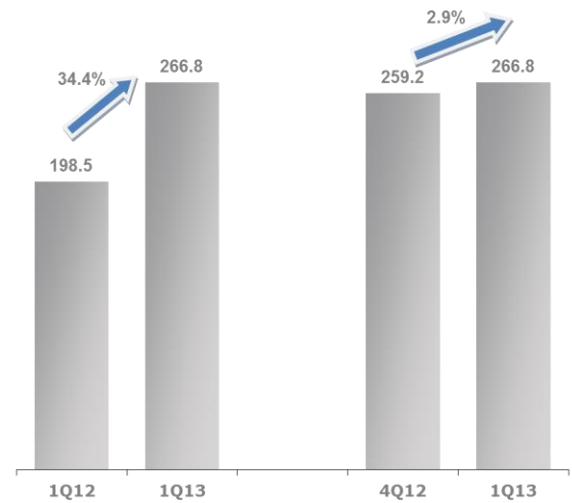
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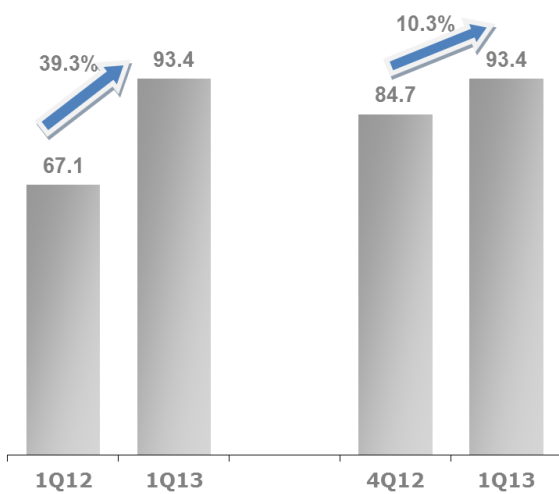
BENEFICIARIES (MM)



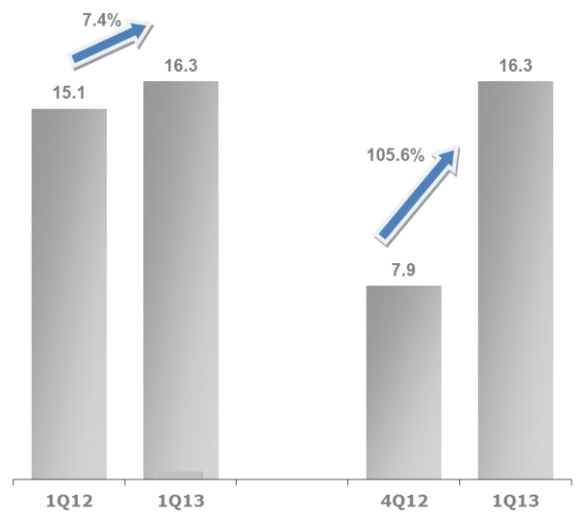
NET REVENUES (R\$ MM)



ADJUSTED EBITDA (R\$ MM)



ADJUSTED EARNINGS (R\$ MM)



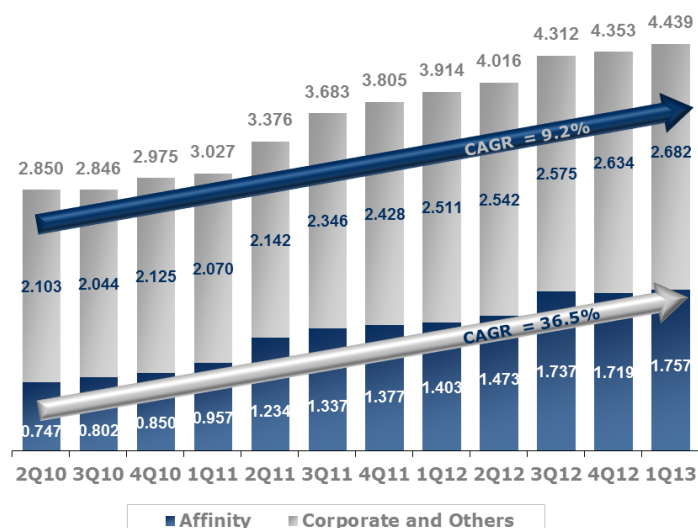
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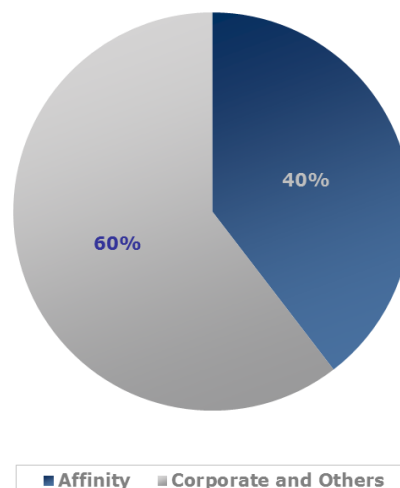


1 | Beneficiaries

BENEFICIARIES (MM)



BENEFICIARIES PORTFOLIO BREAKDOWN



The total number of beneficiaries grew 13.4% y/y in 1Q13, totaling a net increase of approximately 524.7k beneficiaries. When compared to 4Q12, our portfolio of beneficiaries increased approximately 85.5k beneficiaries.

The net addition of approximately 524.7k beneficiaries to the portfolio in 1Q13 was a result of a 353.9k net increase in the Affinity Segment (67.4% of total growth) and a 170.8k net increase in the Corporate and Other segments (32.6% of total growth), including the acquisitions.

Our portfolio of beneficiaries in the Affinity segment grew 25.2% y/y in 1Q13 due to a combination of 28.8% y/y growth in Health products (+1.1% q/q) and 16.6% y/y growth in New Products (+5.2% q/q). The New Products portfolio increased substantially in this quarter mainly due to the recovery of lives canceled in 4Q12. As we have already mentioned, CAASP offers a life insurance to its members and this portfolio is seasonally affected during the renewal periods.

Our portfolio of beneficiaries in the Corporate and Other segments grew 6.8% y/y in 1Q13 (+1.8% q/q) due to our Corporate portfolio, which grew 12.5% y/y (+3.2% q/q) and 1.3% y/y growth (0.7% q/q) in the TPA portfolio. The SME segment grew 21.2% y/y, (flat q/q) while our Health Management segment grew by 39.6% y/y (+6.4% q/q).

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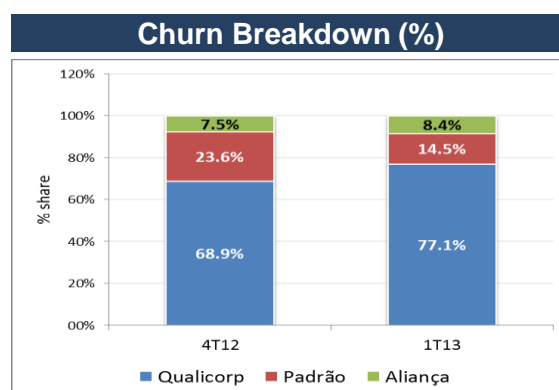
1.1 Portfolio of lives evolution

Portfolio	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Affinity Health Lives					
Total Portfolio (BOP)	1,261,718	954,240	32.2%	1,252,848	0.7%
(+) Gross Adds	89,130	68,718	29.7%	84,145	5.9%
(-) Churn	(69,648)	(32,668)	113.2%	(75,275)	-7.5%
New Lives Added (net)	19,482	36,050	-46.0%	8,870	119.6%
(-) Portfolio Adjustment	(5,668)	-	N.A.	-	N.A.
Total Portfolio (EOP)	1,275,532	990,290	28.8%	1,261,718	1.1%
Affinity New Products Lives					
Total Portfolio (BOP)	457,346	422,442	8.3%	483,926	-5.5%
New Lives Added (net)	23,782	(9,975)	N.A.	(26,580)	N.A.
Total Portfolio (EOP)	481,128	412,467	16.6%	457,346	5.2%
Affinity Portfolio	1,756,660	1,402,757	25.2%	1,719,064	2.2%
Corporate	1,189,988	1,057,811	12.5%	1,153,432	3.2%
TPA	1,396,402	1,378,591	1.3%	1,387,322	0.7%
Small/Medium Enterprises	57,822	47,689	21.2%	57,837	0.0%
Health Management	37,688	26,989	39.6%	35,415	6.4%
Corporate and Others Portfolio	2,681,900	2,511,080	6.8%	2,634,006	1.8%
Total Portfolio	4,438,560	3,913,837	13.4%	4,353,070	2.0%

In order to demonstrate the performance of the Company's portfolio of lives in a more accurate way, we decided to show this quarter a higher level of details for this indicator, reporting the gross adds in the health segment. In that sense, it is possible to notice an increase of 29.7% y/y (+5.9% q/q) in the gross additions, confirming the positive results of our sales strategy.

It's also important to highlight the relevant variance of the churn level, which increased by 113.2% y/y, mostly due to the acquired portfolios that contributed with 22.9% of total churn, with Padrão contributing with 14.5%. However, mitigating this variation, we observe a reduction of 7.5% q/q, which reinforces a better performance in client retention of the acquired portfolios during the integration process.

As a result of the operational integration of Padrão in 1Q13, we aligned the criteria of portfolio accounting with Qualicorp standards, causing a 5,668 lives reduction in the balance of lives. Prior to the integration, Padrão's lives were accounted when the contract was implemented, while today we are accounting lives from the first billing, like we do for Qualicorp.



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2 | Operating Net Revenues

Net Revenues (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Affinity	244.4	178.3	37.1%	237.9	2.7%
% on Total Net Revenues	91.6%	89.9%	176bps	91.8%	-15bps
Corporate and Other	22.3	20.1	11.0%	21.3	4.8%
% on Total Net Revenues	8.4%	10.1%	-176bps	8.2%	15bps
TOTAL	266.8	198.5	34.4%	259.2	2.9%

Our consolidated Operating Net Revenues reached R\$ 266.8 million in 1Q13 (R\$ 17.4 from Aliança), representing an increase of 34.4% y/y. The Affinity Segment contributed with R\$ 244.4 million in revenues in 1Q13 (+37.1% y/y and +2.8%q/q)

Net Revenues in the Corporate and Other segment reached R\$ 22.3 million in 1Q13 (+11% y/y and +4.8% q/q) reflecting an increase in the number of clients and new contracts.

3 | Operating Expenses

Our Recurring Operating Expenses increased by 28.4% y/y in 1Q13 and was flat q/q. Its worth highlighting that Qualicorp was able to gain efficiency in almost all the lines, due to the company's efforts to better control its costs and dilute expenses in relation to the organic growth. The level of uncollectible receivables remains high in 1Q13, although it is possible to see a sequential improvement.

The R\$ 6.9 million one-time expenses in 1Q13 refer to Stock Option Plan .

Cost summary (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Cost of Services	(71.5)	(53.1)	34.6%	(69.3)	3.2%
Total Costs of Services	(71.5)	(53.1)	34.6%	(69.3)	3.2%
Total Adm. Expenses	(84.6)	(70.3)	20.3%	(85.9)	-1.6%
Total Selling Expenses	(49.6)	(48.0)	3.2%	(52.0)	-4.7%
Bad Debt (Uncollectible Receivables)	(22.3)	(11.9)	87.6%	(24.2)	-7.7%
Other Operating Income (Expenses)	(3.1)	3.8	N.A.	(17.9)	-82.8%
Total Operating Expenses	(159.5)	(126.4)	26.3%	(180.0)	-11.4%
Total	(231.1)	(179.5)	28.7%	(249.3)	-7.3%
(+) One-time Expenses	6.9	4.8	41.9%	25.4	-73.0%
Total Recurring Operating Expenses	(224.2)	(174.7)	28.4%	(223.9)	0.1%

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3.1. Cost of Services

COGS (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q1	4Q12	% change 1Q13/4Q12
Personnel expenses	(20.2)	(14.0)	44.4%	(20.4)	-0.9%
Third Party Services	(13.7)	(8.0)	71.4%	(11.9)	15.5%
Occupancy expenses	(3.6)	(2.4)	48.2%	(3.3)	8.3%
Royalties (a)	(28.1)	(22.6)	24.5%	(27.4)	2.6%
Others (b)	(5.8)	(6.1)	-4.4%	(6.3)	-7.2%
TOTAL	(71.5)	(53.1)	34.6%	(69.3)	3.2%

a) Refers to expenses from financial 'pass throughs' incurred in connection with the agreements signed with professional associations for the contracting and selling of affinity plans.

b) Refers primarily to mailing expenses and annual membership fees paid by the Company to associations, unions and councils on behalf of the beneficiaries / members of the professional associations.

Our Cost of Services increased by 34.6% in 1Q13 (3.2% q/q) in line with the revenues growth, as it is composed by variable items, reflecting the expansion of the company, which requires a higher number of employees to support our operational demands. The increase in Third Party Services arising from the call center area is a result of the incorporation of the acquisitions' operational activities.

3.2. Administrative Expenses

Administrative expenses (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q1	4Q12	% change 1Q13/4Q12
Personnel expenses	(21.8)	(17.8)	22.0%	(24.2)	-10.3%
Third Party services	(12.1)	(7.5)	61.6%	(10.3)	17.2%
Occupancy expenses	(1.6)	(1.2)	42.8%	(2.3)	-29.8%
Depreciation and amortization	(43.5)	(37.1)	17.5%	(42.7)	1.8%
Others	(5.5)	(6.7)	-18.0%	(6.3)	-12.1%
TOTAL	(84.6)	(70.3)	20.3%	(85.9)	-1.6%
(+) One-time Administrative Expenses (a)	6.9	4.8	41.9%	8.6	-19.9%
Total Recurring Adm. Expenses	(77.7)	(65.4)	18.7%	(77.4)	0.4%

a) It is related to stock option plan and CEO resignation .

Our Recurring Administrative Expenses increased by 18.7% y/y in 1Q13 (+0.4% q/q), showing an important efficiency gain in almost all the lines. As a percentage of our net revenue, the administrative expenses decreased from 33% in 1Q12 to 29.1% in 1Q13. (29.8% in 4Q12). If we were to exclude the expenses with depreciation and amortization, we would have shown 150bps y/y of dilution in our administrative expenses.

It is worth noting that the line Third Party Services increased as a result of the consultancy companies hired during the period in order to better manage the indicators of churn and control bad debt more assertively.

The R\$ 6.9 million in one-time Administrative expenses refer to the Stock option plan expenses.

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3.3. Selling Expenses

Selling Expenses (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Personnel expenses	(15.5)	(13.5)	15.0%	(15.6)	-0.9%
Third Party services	(2.5)	(2.2)	16.3%	(2.8)	-10.2%
Occupancy expenses	(1.6)	(1.3)	18.6%	(1.8)	-12.8%
Other selling expenses	(1.8)	(4.7)	-61.7%	(3.8)	-52.3%
Sales campaign	(4.1)	(2.9)	39.5%	(5.9)	-30.5%
Sponsorships	(1.3)	(3.9)	-66.5%	(2.6)	-48.6%
Third-party commission	(10.0)	(8.1)	23.4%	(14.7)	-32.1%
Publicity and advertising	(11.1)	(9.6)	15.6%	(2.4)	365.5%
Others (a)	(1.6)	(1.8)	-7.1%	(2.4)	-32.4%
TOTAL	(49.6)	(48.0)	3.2%	(52.0)	-4.7%

a) Includes office supplies, mailing expenses and discounts granted.

Our Recurring Selling Expenses increased by 3.2% y/y in 1Q13 (-4.7% q/q). This annual increase, much lower than the revenues growth, shows an optimization in the use of the resources while the sequential decrease is a result of seasonal factors as well as the discretionary characteristics of some commercial expenses. It is worth noting that this quarterly decrease in the "Third-party commission" is due to expenses shifted from 3Q12 to 4Q12, generating higher commission expenses in 4Q12 than the normalized level.

3.4. Bad Debt (Uncollectible Receivables)

Bad Debt (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Bad Debt (Uncollectible Receivables)	(22.3)	(11.9)	87.6%	(24.2)	-7.7%
TOTAL	(22.3)	(11.9)	87.6%	(24.2)	-7.7%

Our Bad Debt Expenses increased by 87.6% y/y, representing 8.4% of our net revenues, which compares with 6.0% in 1Q12. However, in a sequential comparison, we note a decrease of 90bps, which in our view reflects the seasonality of our business more than the effect of our still preliminary initiatives.

Qualicorp is still endeavoring its best efforts to contain this expenses through initiatives such as: (i) stimulate direct debt (automatic payment); (ii) test sending the bad payers to the black list; (iii) more aggressive approach in customer retention; (iv) hiring of specialized collection and consultancy agencies; among others.

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3.5. Other Operating Income / (Expense)

Other Operating Income/Expenses (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Expenses related to contingencies	(3.0)	4.0	N.A.	(1.0)	182.2%
Allowance for impairment losses	-	-	N.A.	(11.4)	N.A.
Write-off of tax credits on subsidiary	-	-	N.A.	(4.7)	N.A.
Fixed Assets write-off (acquisitions)	-	-	N.A.	(0.8)	N.A.
Other income	(0.1)	(0.2)	-45.0%	0.0	N.A.
TOTAL	(3.1)	3.8	N.A.	(17.9)	-82.8%
(+) One-time expenses (a)	-	-	N.A.	16.9	N.A.
Other recurring expenses	(3.1)	3.8	N.A.	(1.0)	195.9%

a) Impairment losses, write-off of tax credits on subsidiary and fixed assets write-off

Our other recurring expenses in 1T13 were -R\$ 3.1 million due to the constitution of provisions for contingencies, consuming 116bps in our operational margin in 1Q13 compared to 38bps in 4Q12. (in 1Q12 this line contributed positively in 191bps in operational margin).

4 | Financial Income (expenses)

Financial Income (Expenses) (R\$MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Financial income					
Income from short-term investments	3.2	10.0	-68.3%	3.1	3.0%
Interest and fine on late payment of health plans	7.3	6.2	17.5%	6.6	10.2%
Monetary adjustment reversion from call option - Praxis	-	-	N.A.	4.3	N.A.
Other income	0.3	0.3	17.2%	0.1	176.4%
Total	10.8	16.5	-34.7%	14.1	-23.5%
Financial expenses					
Debentures Interest	(6.1)	(10.8)	-43.2%	(6.1)	0.4%
Monetary adjustment from call option - Praxis, Aliança and GA	(12.2)	(0.7)	N.A.	(19.5)	N.A.
Other financial expenses	(5.3)	(3.7)	43.1%	(5.1)	4.6%
Total	(23.7)	(15.2)	55.8%	(30.5)	-22.5%
TOTAL	(12.9)	1.3	N.A.	(16.4)	-21.6%

Financial income resulted from two main sources: interest on financial investments and interest and penalties on late payment of premiums from beneficiaries. Financial expenses refer primarily to the debentures held with Bradesco bank and other bank tariffs. Due to reduction in of interest rates (SELIC), and a reduction in our cash, our financial revenues decreased 34.7% y/y.

On financial expenses, it is important to highlight the recognition of R\$ 12.2 million of monetary adjustment on the call option to buy Aliança, Praxis and GA. This debt will be adjusted on a monthly basis until the total payment of the acquisition is done and will have a cash effect only on the date of the payment.

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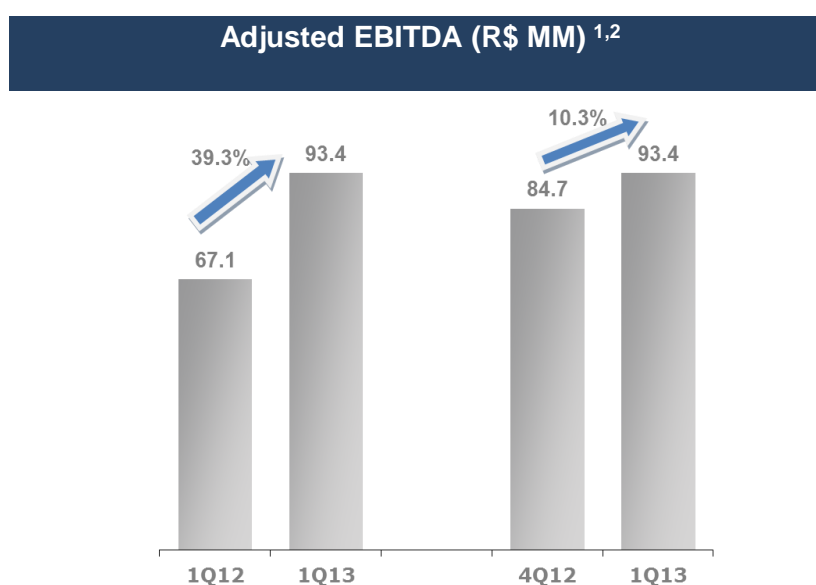
5 | Generation of Operating Cash (EBITDA and Adjusted EBITDA) ^{1,2}

EBITDA and Adjusted EBITDA (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Net Income	9.4	10.3	-8.9%	(13.3)	N.A.
(+) Taxes	13.5	10.0	35.0%	6.7	101.0%
(+) Depreciation and Amortization	43.5	37.1	17.5%	42.7	1.8%
(+) Financial Expense	23.7	15.2	55.8%	30.5	-22.5%
(-) Financial Income	(10.8)	(16.5)	-34.7%	(14.1)	-23.5%
EBITDA	79.3	56.0	41.5%	52.6	50.6%
EBITDA Margin	29.7%	28.2%	149bps	20.3%	941bps
Non-cash Stock Option Plan Expense	6.9	4.8	41.9%	5.7	20.1%
Interest and fine on late payment of health plans	7.3	6.2	17.5%	6.6	10.2%
Other non recurring (a)	-	-	N.A.	8.4	N.A.
Impairment (b)	-	-	N.A.	11.4	N.A.
Adjusted EBITDA	93.4	67.1	39.3%	84.7	10.3%
Adjusted EBITDA Margin	35.0%	33.8%	123bps	32.7%	235bps

(a) Due diligence expenses on acquisitions, write-off of tax credit and fixed asset and CEO resignation.

(b) Write-off of PraxiSolutions.

Our consolidated Adjusted EBITDA grew 39.3% y/y to R\$ 93.4 million in 1Q13. This growth is a result of our strong increase in revenue combined with the incorporation of the acquisitions Padrão and Aliança and an important operational improvement. Our EBITDA margin reached 35,0% in 1Q13, which represents an expansion of 123bps when compared to 1Q12 even with a bad debt expense significantly higher (+2.4 p.p.), which shows our operational leverage in other Income Statement lines. In a sequential comparison, the expansion reached 235bps.



(1) EBITDA and Adjusted EBITDA are presented because management believes that they are significant indicators of financial performance. According to the IFRS, EBITDA and Adjusted EBITDA are not indicators of financial performance and shall not be considered as an alternative to net profit, operational performance, operating cash flow, or as a liquidity indicator.

(2) EBITDA and Adjusted EBITDA consist of net income before income tax and social contribution, financial income, financial expense, and depreciation and amortization. "Other adjustments" include items such as spending on acquisitions and associations; costs of corporate restructuring and operational provisions for stock option plan; interest and penalties on late fees; and other non-cash adjustments.

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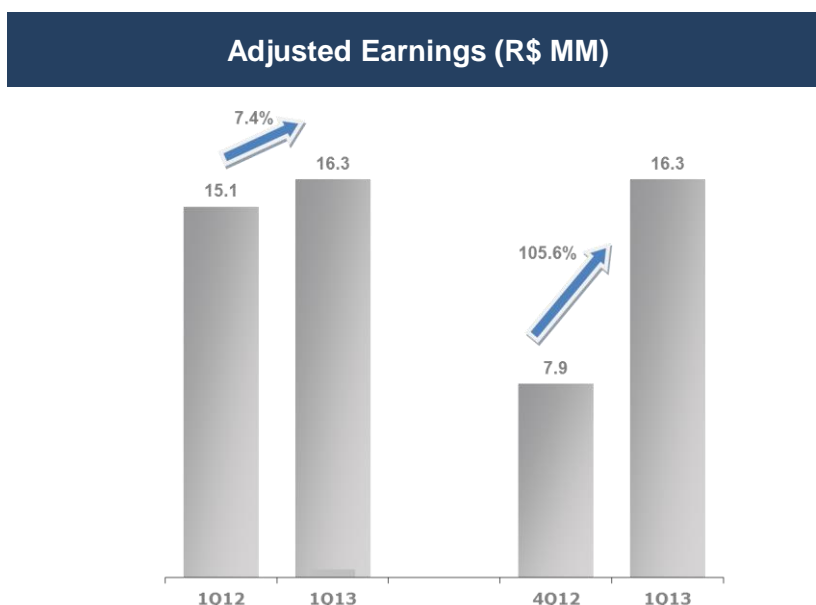
6 | Adjusted Earnings

Adjusted Earnings (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Net Income	9.4	10.3	-8.9%	(13.3)	N.A.
Total one-time expense (a)	6.9	4.8	41.9%	25.4	-73.0%
Total one time revenues (b)	-	-	N.A.	(4.3)	N.A.
Adjusted Earnings	16.3	15.1	7.4%	7.9	105.6%

a) For 1Q13 and 1Q12 it refers to non-cash stock option plan expenses. For 4Q12 it refers to non-cash stock option plan expenses, acquisition expenses, impairment expenses and write-off of tax credit of fixed assets.

b) It refers to the reversion of monetary adjustment on the call option to acquire Praxisolutions (due to Fixed Assets write-off, the value of the call option to acquire the remaining 20% stake also decreased, causing a positive effect in our financial result.)

In 1Q13 we recognized R\$ 12.2 million expense related to monetary adjustment in the call option to acquire Aliança (non-cash effect). If we were to adjust it for this factor, our earnings in 1Q13 would have reached R\$ 28.5 million, which would represent an increase of 80.4% y/y and 4.0% q/q. Considering this expense in the results, our Adjusted Net Earnings increased 7.4% y/y in 1Q13.



Amortization	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Amortization Clients Relationship	23.8	21.7	9.7%	24.1	-1.4%
Portfolio Amortization	15.0	11.9	25.3%	14.8	0.9%
Goodwill Amortization	47.0	47.2	-0.4%	46.9	0.3%

Amortization Summary	Income Statement	Fiscal benefit	Amount 1Q13	Tax	Adjustments to net income
Amortization Clients Relationship	Yes	No	23.8	8.1	15.7
Portfolio Ammortization	Yes	Yes	15.0	5.1	15.0
Goodwill ammortization	No	Yes	47.0	16.0	16.0

Above we provide more details of our Amortization expenses and its impact in the income statement.

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7 | Capital Expenditures ⁽¹⁾

Capex (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
Capex in IT	5.7	4.1	38.6%	21.3	-73.3%
Other Capex	1.0	2.0	-49.8%	1.5	-32.1%
TOTAL	6.7	6.1	9.6%	22.7	-70.6%

(1) Excludes investments related to portfolio acquisitions .

Our total Capex reached R\$ 6.7 million y/y in 1Q13 resulting from higher investments in the new IT platform to support future growth.

8 | Capital Structure

Capital Structure (R\$ MM)	1Q13	4Q12	% change 1Q13/4Q12
Current Debt	81.5	88.2	-7.7%
Long Term Debt ⁽¹⁾	485.4	483.4	0.4%
TOTAL	566.9	571.6	-0.8%
Cash and cash equivalents ⁽²⁾	146.9	124.0	18.5%
TOTAL NET DEBT	420.0	447.6	-6.2%

Our Total Net Debt decreased when compared to the end of 2012 mainly due to operational cash flow generation in 1Q13.

(1) Includes acquisition payables

(2) It does not include the investment made as a guarantee asset in the direct subsidiary Qualicorp Administradora de Benefícios S.A., and in the indirect the subsidiaries Padrão Administradora de Benefícios Ltda. and Aliança Administradora de Benefícios de Saúde S.A according to the 33rd normative instruction by the ANS, from October 5, 2009.

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Forward-looking statements

This release may contain forward-looking statements concerning the business outlook, estimates of operating and financial results and growth prospects of Qualicorp S.A. These statements are based exclusively on the expectations of the management of Qualicorp S.A. regarding the prospects of the business and its continued ability to access capital markets to finance its business plan. These forward-looking statements are highly sensitive to changes in the capital markets, government regulations, competitive pressures, the performance of the industry and the Brazilian economy and other factors, as well as to the risk factors highlighted in documents previously filed by Qualicorp S.A., and therefore are subject to change without prior notice.

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Appendix I – Income Statement

INCOME STATEMENT (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	4Q12	% change 1Q13/4Q12
NET OPERATING REVENUE	266.8	198.5	34.4%	259.2	2.9%
Cost of Services	(71.5)	(53.1)	34.6%	(69.3)	3.2%
GROSS PROFIT	195.3	145.3	34.4%	189.9	2.8%
Operating Income (expenses)	(159.5)	(126.4)	26.3%	(180.0)	-11.4%
Administrative expenses	(84.6)	(70.3)	20.3%	(85.9)	-1.6%
Selling expenses	(49.6)	(48.0)	3.2%	(52.0)	-4.7%
Losses on uncollectible receivables	(22.3)	(11.9)	87.6%	(24.2)	-7.7%
Other operating income (expenses), net	(3.1)	3.8	N.A.	(17.9)	-82.8%
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)	35.7	19.0	88.5%	9.9	261.5%
Financial income	10.8	16.5	-34.7%	14.1	-23.5%
Financial expenses	(23.7)	(15.2)	55.8%	(30.5)	-22.5%
INCOME BEFORE INCOME TAX SOCIAL CONTRIBUTION	22.8	20.3	12.7%	(6.6)	N.A.
INCOME TAX AND SOCIAL CONTRIBUTION	(13.5)	(10.0)	35.0%	(6.7)	101.0%
Current	(11.7)	(1.6)	627.6%	(8.9)	31.2%
Deferred	(1.8)	(8.4)	-78.6%	2.2	N.A.
NET (LOSS) INCOME FOR PERIOD	9.4	10.3	-8.9%	(13.3)	-170.8%
Attributable to					
Controlling interest	7.4	10.1	-26.8%	(14.3)	N.A.
Noncontrolling interest	2.0	0.16	1168.0%	1.00	96.6%
Controlling interest	9.4	10.3	-8.9%	(13.3)	N.A.

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Appendix II – Balance Sheet

ASSETS (R\$ MM)	1Q13	2012	% change 1Q13/2012
CURRENT ASSETS			
Cash and cash equivalents	146.9	124.0	18.5%
Short-term investments	19.4	19.1	1.6%
Trade receivables	93.8	87.0	7.8%
Other assets	54.0	49.1	10.1%
Other financial assets	44.9	43.9	2.4%
Other non-financial assets	9.1	5.2	74.5%
Related Parties	5.7	0.6	900.3%
Total current assets	319.9	279.8	14.4%
NONCURRENT ASSETS			
Long-term assets			
Trade receivables	3.7	3.7	0.0%
Deferred income tax and social contribution	166.5	174.6	-4.6%
Related Parties	17.9	-	-4.9%
Other assets	29.5	24.2	21.9%
Other financial assets	29.5	24.2	21.9%
Total long-term assets	217.6	221.3	-1.7%
Investments	0.10	0.10	0.0%
Property, plant and equipment	19.5	20.2	0.1%
Intangible assets			
Goodwill	1,514.2	1,514.2	0.0%
Others intangible assets	985.8	1,015.8	-3.0%
Total noncurrent assets	2,737.3	2,771.6	-1.2%
TOTAL ASSETS	3,057.2	3,051.3	0.2%
LIABILITIES & SHAREHOLDERS EQUITY (R\$ MM)	1Q13	2012	% change 1Q13/2012
CURRENT LIABILITIES			
Debentures	80.5	87.0	-7.5%
Loans and Financing	1.0	1.2	-20.9%
Taxes payable	27.5	23.6	16.4%
Premiums to be transferred	78.5	64.0	22.8%
Financial transfers payable	9.0	8.7	2.8%
Payroll and related taxes	26.6	30.2	-12.0%
Transferable prepayments	22.0	45.3	-51.4%
Other payables	36.1	44.2	-18.3%
Total current liabilities	281.4	304.3	-7.5%
NONCURRENT LIABILITIES			
Debentures	217.4	216.9	0.2%
Incom	4.6	4.5	2.9%
Deferr	202.9	209.2	-3.0%
Provision for risks	76.7	74.6	2.8%
Deferred income	0.1	0.2	-27.7%
Granted options on no controlling interest	158.9	153.5	3.6%
Other payables	102.7	96.0	7.0%
Total noncurrent liabilities	763.4	754.9	1.1%
EQUITY			
Capital	1,827.6	1,822.4	0.3%
Capital reserves	65.1	58.2	11.8%
Earnings reserves	145.0	145.0	0.0%
Accumulated losses	(21.2)	(28.6)	-25.9%
Total equity majority shareholder	2,016.5	1,997.0	1.0%
Noncontrolling interest in subsidiaries	(4.1)	(4.8)	-15.0%
Total equity	2,012.4	1,992.2	1.0%
TOTAL LIABILITIES AND EQUITY	3,057.2	3,051.3	0.2%

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Appendix III – Cash Flow Statement

STATEMENTS OF CASH FLOWS (R\$ MM)	1Q13	1Q12	% change 1Q13/1Q12	2012
CASH FLOW FROM OPERATING ACTIVITIES				
Profit (losses) before income tax and social contribution	22.8	20.3	12.7%	64.7
Adjusts	72.2	49.2	46.9%	252.9
Depreciation and Amortization	43.5	37.1	17.5%	162.4
Impairment	-	-	N.A.	21.7
Result from selling Imobilized Assets and others	-	-	N.A.	1.1
Stock Option Program	6.9	4.8	41.8%	17.7
Financial Expenses	18.9	11.3	66.8%	51.6
Provision for Risks	3.0	(4.0)	N.A.	(1.6)
Expenses for Issue of shares	-	-	N.A.	-
Adjusted profit (loss)	95.1	69.4	36.9%	317.6
Origin Cash provided by operating activities	(31.3)	(12.1)	159.0%	(40.9)
Cash provided by operating activities	63.7	57.3	11.2%	276.7
Interest paid on debentures	(12.6)	(24.2)	-47.7%	(42.7)
Interest paid on taxes and suppliers	-	-	N.A.	-
Income tax and social contribution paid	(4.0)	(1.9)	110.8%	(16.5)
Net cash provided by operating activities	47.1	31.3	50.6%	217.5
CASH FLOW FROM INVESTING ACTIVITIES				
Increase in short-term investments	(0.3)	(0.3)	-6.8%	(5.7)
Investments in intangible assets	(22.5)	(38.6)	-41.6%	(127.0)
Purchase of property, plant and equipment	(1.0)	(2.1)	-52.9%	(5.9)
Amount paid in acquisition (Medlink), less cash acquired	-	-	N.A.	-
Amount paid in acquisition (Praxis), less cash acquired	-	-	N.A.	-
Amount paid in acquisition (Aliança), less cash acquired	-	-	N.A.	(92.0)
Amount paid in acquisition (GA Consultoria), less cash acquire	-	-	N.A.	(5.9)
Amount paid in acquisition (Grupo Padrão), less cash acquired	-	-	N.A.	(179.2)
Net cash used in investing activities	(23.8)	(41.0)	-41.9%	(415.7)
CASH FLOW FROM FINANCING ACTIVITIES				
Amount paid in loans and financing	(0.3)	-	N.A.	(0.6)
Payment of debentures	-	-	N.A.	(60.0)
Capital Increase	-	-	N.A.	13.1
Cash provided by (used in) financing activities	(0.3)	-	N.A.	(47.5)
INCREASE IN CASH AND CASH EQUIVALENTS, NET	23.0	(9.7)	N.A.	(245.7)
Cash and cash equivalents at beginning of period	124.0	369.7	-66.5%	369.7
Cash and cash equivalents at end of period	146.9	360.0	-59.2%	124.0

Key Events in 1Q13 and Other Subsequent Events

(i) Election of the new Chairman of the Company's Board of Directors

The Annual General Meeting held on April 30, 2013 elected, by majority of the votes of the members of the Company's Board of Directors, for a one-year term of office, reelection being permitted, Mr. Alberto Bulus as the Chairman of the Board of Directors, a position previously held by Mr. José Seripieri Filho, who continues to hold the position of the Company's CEO.

(ii) Capital Increase – Exercise of call options granted

The meeting of the Board of Directors held on April 24, 2013 approved the Company's capital increase in light of the exercise of call options granted under the Stock Option Plan. Capital was increased by R\$17.2 million, within the limit of authorized capital, upon the issuance of 1,880,015 new book-entry, registered common shares, without par value, fully subscribed and paid in within a period of 90 days.

(iii) Lease agreement – Qualicorp's new head office

The Company will have a new head office where the properties currently leased in the City of São Paulo will be transferred to one single place. On March 26, 2013, Qualicorp S.A. entered into a lease agreement in connection with a property in final construction phase.

The agreement was entered into over a 10-year term, whose validity will begin on May 1, 2013 (provided that all occupancy license clauses are satisfied) and will expire on April 1, 2023.

Monthly lease amount is R\$1.3 million, and will be adjusted based on the accumulated General Market Price Index (IGP-M) fluctuation.